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Weekly Contributions  
Latin America Division, ORE, CIA  
14 March 1950

CURRENT DEVELOPMENTS

GENERAL: Latin American reaction to visits of high US officials and Habana and Rio meetings is very favorable (p. 2).

NORTHERN AREA: In Cuba, the Communist Party has gained in political influence (p. 2). In Mexico, the administration's  tactics against UGOCM unions may further antagonize non-Communist members (p. 2); Sinarquistas use violence in demonstrations which are both "anti-Communist" and anti-government (p. 2).

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CENTRAL AREA: The position of Colombia's president-elect may be less secure because of growing dissatisfaction in the army (p. 3).

SPECIAL SUBJECTS

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(CIA Working Paper)

14 March 1950

1. GENERAL: Latin American Reaction to Visits of High US Officials and Habana and Rio Meetings

The recent visits of Assistant Secretary of State Miller and Ambassador Austin to some of the American republics, as well as the Habana and Rio meetings of US chiefs of missions, have produced favorable reactions throughout Latin America. Except for the Communist papers, all concerned received a good press, and their activities have been interpreted by the Latin Americans as an indication of renewed interest by the US in Western Hemisphere affairs.

2. CUBA: Communists Gain Political Influence

The Communist Party of Cuba (Partido Socialista Popular), by announcing its support of the Grau-Batista candidate for mayor of Habana (D/LA Wkly, 7 March 50), has established ties with the moderate conservative parties and has thus gained in political influence. The Communists can now use the electoral campaign for propaganda purposes and may win support on certain issues from their temporary allies. Some minor Communist candidates may even be able to ride to victory on non-Communist coattails, and the Communist Party will almost certainly gain some votes, which would offset some of the losses that have resulted from its former political isolation.

3. MEXICO: Government Bears Down on UGOCM Unions

The government's handling of recent strikes and slow-downs in the mining industry and irrigation projects by unions affiliated with Lombardo's UGOCM are examples of the administration's tactics in attempting to keep labor in line. Alleging Communist sabotage by the striking miners, the government has continued to exploit the anti-Communist theme by which it has courted popular support for suppression of strike threats (D/LA Wkly, 20 Dec 49). By permitting the use of troops to break the irrigation project strike, the government has also continued [ ] tactics toward the opposition labor groups — such as were used previously in the taxi drivers' strike (D/LA Wkly, 7 Feb 50). Although the Communist tendencies of the union leaders involved are well known, D/LA estimates that the continued use of force by the government in its dealings with UGOCM-sponsored strikes and the use of the Communist label rather than reference to arbitration or conciliation will antagonize further the non-Communist elements in the UGOCM and make it difficult to retain the loyalty of those syndicates now lined up with the administration.

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4. Sinarquistas Use Violence

Recent disorders involving Sinarquistas in various parts of the country indicate the implementation of the change in their policy

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from passive penetration to armed "resistance" announced last December. Unauthorized "anti-Communist" demonstrations held by the UNS (Union Nacional Sinarquista), characterized by violence and attacks on the administration, began with a meeting on 5 February when Sinarquistas attacked army barracks causing the death of the commanding officer and several soldiers. All the demonstrations resulted in the detention and arrest of scores of Sinarquistas by military and civilian authorities.

Renewal of Sinarquista activity at this time is aimed at taking advantage of the anti-Communist drive recently launched by the government and of its tolerant attitude toward the Church. Having always been professed anti-Communists, but never distinguishing between Communism and the revolutionary program of the present administration, the Sinarquista "anti-Communist" movement is in itself subversive. D/LA estimates that, because of this essentially subversive character of Sinarquismo and because of the Sinarquistas' present policy of violence, the government will not only refuse to register the UNS as an opposition political party for the next elections but, should Sinarquista violence continue, may outlaw the movement altogether.

5. COLOMBIA: Growing Dissatisfaction in the Army

The Colombian army, antagonized by the current Conservative government's actions in transferring Liberal officers from the more important posts and in creating a large, presumable pro-government police force, has now been further alienated by a decree permitting the government's arbitrary retirement of any officer. Although the Colombian army has not participated in politics for many years, president-elect Laureano Gómez apparently feels that he needs an army of unquestionable loyalty for use in any emergency. The measures taken to secure reliable military backing for the government may backfire, however, by providing a focal point for civilian and military dissatisfaction with the president-elect and thereby precipitate an insurrection. The possibilities of success for such an attempt would be increased, should it receive support from anti-conservative forces in the Caribbean area (such as the Venezuelan Acción Democrática) or from the Caribbean Legion. (Substance in CIA Wkly, 10 Mar 50.)

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The Current Situation in Guatemala

(Summary — The activities of Colonel Arbenz as presidential candidate now dominate the current political scene. The national economy remains stable. The importance of the army as a political and military force appears to have diminished. No change in the basic objectives of Guatemalan foreign policy is apparent.

— The possibility that the Communists may increase their influence in Guatemala is the most significant development affecting US security interests.)

Political

The activities of Colonel Arbenz as presidential candidate in the elections to be held late in 1950 dominate the political scene. Arbenz, a member of the 1944 revolutionary triumvirate and Minister of Defense since 1945, has recently resigned his post to run for the Presidency. He has the backing of three political parties: the newly formed PIN (Partido de Integridad Nacional) and two of the pro-administration parties — the leftist PAR (Partido Acción Revolucionaria) and the PRN (Partido Renovación Nacional). PAR support indicates that Arbenz controls the militant labor faction, which may decide the outcome of the election. Reputedly, he has also obtained the services of a group of Caribbean Legion members to support his candidacy by force if necessary. Moreover, he apparently has the support of various high army officers. It is to his advantage that army leaders capable of leading a revolt have been exiled, and that the capabilities of the army as a whole have been reduced. Although a break between Arevalo and Arbenz has been rumored, the likelihood that the former will remain aloof from the presidential campaign should also favor Arbenz.

At present no strong candidate opposes Arbenz, the only other candidate being Jorge Garcia Granados who as yet has no strong support. It is true that the FPL (Frente Popular Libertador), largest and most moderate of the pro-administration parties, has not yet chosen its candidate. The anti-administration parties likewise have not named candidates; conceivably, these parties, if unified, might be strong enough to defeat Arbenz in an honest election. Similarly, the FPL could defeat Arbenz with conservative help. However, an anti-Arbenz candidate is unlikely to gain the presidency without strong army support to counteract the forces of the militant labor movement. There is no evidence as yet of such a possibility. Rumors of anti-Arbenz plots continue, however, and his assassination must always be considered as a possibility that could radically alter the political situation.

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D/LA estimates that, if Arbenz is elected, US security interests would be adversely affected to the degree that he is pro-leftist and that Guatemalan leftists are pro-Russian.

#### Economic

There has been no significant change in the economic situation. Guatemala's economy, largely dependent upon the production and export of coffee, remains basically sound. Labor disputes continue, but the employers' position appears stronger because of a less aggressively pro-labor attitude on the part of the administration.

D/LA foresees no substantial change in the economic situation in coming months.

#### Military

The morale and strength of the armed forces have decreased. Oppositionist army leaders have been exiled or jailed, and an atmosphere of suspicion and distrust pervades military circles. Some officers fear arrest on trumped-up charges or assassination at the hands of Arbenz-employed thugs. The armed forces have also been weakened through withholding funds and equipment. It is unlikely that the new Minister of Defense, Colonel Rafael O'Meara, appointed to succeed Colonel Arbenz, will initiate any changes in administration policy toward the military.

In contrast to the neglect of the armed forces, there is evidence that the effectiveness of the Guardia Civil (police) has been increased through the acquisition of small arms. The police, under the control of Colonel Victor M. Sandoval, Arévalo's brother-in-law, have supported the administration and are oriented toward the left.

#### Subversive

The consolidation of leftist labor and political groups behind the candidacy of Arbenz may favor Communist influence. Arbenz has, for obvious political purposes, sought the support of pro-Communist labor leaders. Guatemalan labor, in turn, has strengthened its ties with the international pro-Communist labor movement through the recent decision of the FSG (Federación Sindical de Guatemala) to affiliate with the CTAL (Confederación de Trabajadores de America Latina), thereby placing both major Guatemalan labor federations within the pro-Communist labor confederation led by Lombardo Toledano (D/LA Wkly, 7 Feb 50). The CTAL is, therefore, in a position to wield its influence in the coming presidential campaign.

In these political and labor maneuvers, the Communists have so successfully identified themselves with local issues that it is difficult

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to isolate them from other groups. In propaganda, for example, the Communists have used the nationalistic theme in attacking the US-sponsored Institute of Inter-American Affairs calling for the removal of the influence of "foreign capitalism" in Guatemala's "cultural problems" and the replacement of Minister of Education Osegueda by a leftist.

D/LA estimates that the Communists may increase their influence and that they will continue to operate through the leftist political parties in anticipation that, if elected, Arbenz will establish an administration favorably disposed toward the Communists.

#### International

Guatemala's foreign policy remains basically unchanged. Opposition to military dictatorships has been evident in renewed repudiations of the Franco regime in Spain. The government remains unfriendly toward Nicaragua and the Dominican Republic. It is true that the activities of the OAS Committee investigating unrest in the Caribbean have led Guatemala to deny that it has supported the Caribbean Legion; however, the government has indicated that it will continue to give sanctuary to political exiles from other Caribbean countries. Although Legion activity which continues in Guatemala and elsewhere probably has the moral support of the government, there is no evidence that it is currently aiding the Legion, except perhaps individual members who may be in the employ of Arbenz.

Opposition to "colonialism" continues. Guatemala has strongly protested the granting, by Britain, of petroleum exploration concessions in British Honduras (Belize). US "colonialism" has been attacked, unofficially, during the opening of the Caribbean Olympic Games, when the flag of a nationalist Puerto Rican political faction was displayed rather than the US flag, and a popular Puerto Rican tune played rather than the Star Spangled Banner — thus symbolizing Guatemala's recognition of the alleged aspirations of the Puerto Ricans for independence. It is also indicated that the Guatemalan representative on the UN Eritrean Commission will favor an independent Eritrea.

D/LA anticipates no change in Guatemalan foreign policy in coming months.

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